

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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SW-20445A  
Global Water - Palo Verde Utilities Company  
21410 N 19<sup>th</sup> Ave., Suite 201  
Phoenix, AZ 85027

RECEIVED

APR 18 2008

AZ CORP COMM  
Director Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
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FOR COMMISSION USE

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4-21-08

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Global Water - Palo Verde Utilities Company</u>		
Mailing Address <u>21410 N 19<sup>th</sup> Ave., Suite 201</u>		
<u>Phoenix</u>	<u>AZ</u>	<u>85379</u>
(City)	(State)	(Zip)
<u>(623) 580-9600</u>	<u>(623) 580-9659</u>	<u>602-615-4532</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>graham.symmonds@gwresources.com</u>		
Local Office Mailing Address <u>SAME</u>		
(Street)		
<u></u>	<u></u>	<u></u>
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)		
Fax No. (Include Area Code)		
Cell No. (Include Area Code)		
Email Address <u></u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Graham Symmonds</u> <u>CTO &amp; SVP, Regulatory Affairs &amp; Compliance</u>			
(Name)		(Title)	
<u>21410 N 19<sup>th</sup> Ave., Suite 201</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85027</u>
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
Cell No. (Include Area Code)			
Email Address <u>graham.symmonds@gwresources.com</u>			
<b>On Site Manager:</b> <u>SAME</u>			
(Name)			
<u></u>	<u></u>	<u></u>	<u></u>
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
Cell No. (Include Area Code)			
Email Address <u></u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** Andy Abraham, Burch & Cracchiolo PLC  
(Name)

702 East Osborn, Suite 200 Phoenix AZ 85014  
(Street) (City) (State) (Zip)

(602) 274-7611 (602) 234-0341  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Attorney:** Tim Sabo, Roshka DeWulf & Patten, PLC  
(Name)

400 East Van Buren, Suite 800 Phoenix AZ 85004  
(Street) (City) (State) (Zip)

(602) 256-6100 (602) 256-6800  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |                                   |   |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE  | <input type="checkbox"/> COCONINO         |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM   | <input type="checkbox"/> GREENLEE         |
| <input type="checkbox"/> LA PAZ     | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE           |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA     | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI  | <input type="checkbox"/> YUMA             |
| <input type="checkbox"/> STATEWIDE  |                                   |   |

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
353	Land and Land Rights	186,009	0	186,009
354	Structures and Improvements	16,512,018	1,764,320	14,747,698
355	Power Generation Equipment	211,803	39,208	172,595
360	Collection Sewers – Force	3,843,267	385,050	3,458,217
361	Collection Sewers – Gravity	39,903,142	1,331,052	38,572,090
363	Services to Customers	3,233,564	116,869	3,116,695
364	Flow Measuring Devices	23,636	5,565	18,071
370	Receiving Wells	1,940,450	53,598	1,886,852
371	Pumping Equipment	3,570,345	783,373	2,786,972
374	Reuse Distribution Reservoirs	11,043	414	10,629
375	Reuse Transmission & Distribution	9,651,590	404,653	9,246,937
380	Treatment and Disposal Equip.	5,338,213	805,146	4,533,067
381	Plant Sewers	78,384	18,281	60,103
382	Outfall Sewer Lines	353,645	66,224	287,421
389	Other Plant and Misc. Equipment	283,325	48,339	234,986
390	Office Furniture and Equipment	138,709	87,476	51,233
391	Transportation Equipment	161,681	76,085	85,596
393	Tools, Shop and Garage Equip.	55,778	3,596	52,182
394	Laboratory Equipment	34,753	6,920	27,833
395	Power Operated Equipment	4,694	352	4,342
396	Communication Equipment	35,810	15,069	20,741
397	Miscellaneous Equipment	24,048	3,199	20,849
398	Other Tangible Plant	926,426	136,730	789,696
	<b>TOTALS</b>	<b>86,522,333</b>	<b>6,151,519</b>	<b>80,370,814</b>

This amount goes on the Balance Sheet Acct. No. 108

**CALCULATION OF DEPRECIATION EXPENSE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
353	Land and Land Rights	186,009	-	0
354	Structures and Improvements	16,512,018	3.33%	498,307
355	Power Generation Equipment	211,803	5.00%	10,392
360	Collection Sewers – Force	3,843,267	2.00%	73,901
361	Collection Sewers – Gravity	39,903,142	2.00%	602,610
363	Services to Customers	3,233,564	2.00%	48,589
364	Flow Measuring Devices	23,636	10.00%	2,283
370	Receiving Wells	1,940,450	3.33%	33,878
371	Pumping Equipment	3,570,345	12.50%	414,698
374	Reuse Distribution Reservoirs	11,043		276
375	Reuse Transmission & Distribution	9,651,590	2.50%	193,574
380	Treatment and Disposal Equip.	5,338,213	5.00%	259,797
381	Plant Sewers	78,384	5.00%	3,920
382	Outfall Sewer Lines	353,645	3.33%	11,535
389	Other Plant and Misc. Equipment	283,325	6.67%	18,667
390	Office Furniture and Equipment	138,709	6.67% or 20.00%	32,416
391	Transportation Equipment	161,681	5.00%	28,287
393	Tools, Shop and Garage Equip.	55,778	5.00%	2,208
394	Laboratory Equipment	34,753	10.00%	3,115
395	Power Operated Equipment	4,694	5.00%	235
396	Communication Equipment	35,810	10.00%	5,666
397	Miscellaneous Equipment	24,048	10.00%	2,201
398	Other Tangible Plant	926,426	10.00%	75,782
	Plus: Depreciation on Non-Utility Assets			13,329
	<b>TOTALS</b>	<b>86,522,333</b>		<b>2,335,846</b>

This amount goes on the Comparative Statement of Income and Expense Acct. 403

**BALANCE SHEET**

<b>Acct No.</b>		<b>BALANCE AT BEGINNING OF TEST YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$	\$
132	Special Deposits	95,576	100,825
135	Temporary Cash Investments	545	
141	Customer Accounts Receivable	736,345	818,958
143	Accumulated Provision for Uncollectible Accounts		(52,802)
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments	7,258	6,856
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 839,723	\$ 897,843
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 59,387,023	\$ 86,522,333
103	Property Held for Future Use		
105	Construction Work in Progress	18,058,901	15,893,730
108	Accumulated Depreciation – Utility Plant	(3,831,123)	(6,151,519)
121	Non-Utility Property	70,261	73,891
122	Accumulated Depreciation – Non Utility	(18,164)	(32,087)
	<b>TOTAL FIXED ASSETS</b>	\$ 73,666,897	\$ 96,306,348
	<b>OTHER ASSETS</b>		
190	Accumulated Deferred Income Taxes		\$ 161,824
	<b>TOTAL FIXED ASSETS</b>		\$ 161,824
	<b>TOTAL ASSETS</b>	\$ 74,506,620	\$ 97,366,015

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 2,290,818	\$ 889,274
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	1,175	
235	Customer Deposits		
236	Accrued Taxes	42,609	61,195
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	2,562,731	1,531,887
253	Other Deffered Credits		1,551
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 4,897,333	\$ 2,483,907
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$ 10,262,459	\$ 18,203,246
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 10,262,459	\$ 18,203,246
	<b>TOTAL LIABILITIES</b>	\$ 15,159,792	\$ 20,687,153
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 10	\$ 10
211	Other Paid in Capital	57,901,339	74,957,112
215	Retained Earnings	1,445,479	1,721,740
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 59,346,828	\$ 76,678,862
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 74,506,620	\$ 97,366,015

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
521	Flat Rate Revenues	\$ 4,426,614	\$ 5,560,345
522	Measured Revenues	99,493	286,299
536	Other Wastewater Revenues	253,777	136,758
	<b>TOTAL REVENUES</b>	<b>\$ 4,779,884</b>	<b>\$ 5,983,402</b>
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages	\$	\$
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense		
715	Purchased Power	335,060	453,350
716	Fuel for Power Production	8,243	783
718	Chemicals	42,473	234,166
720	Materials and Supplies	42,263	133,008
731	Contractual Services – Professional	1,302,854	0
734	Contractual Services – Management Fees	0	1,655,504
735	Contractual Services – Testing	41,919	70,174
736	Contractual Services – Other	75,866	257,079
740	Rents	0	0
742	Rental of Equipment	3,397	13,989
750	Transportation Expense	0	0
755	Insurance Expense	500	0
765	Regulatory Commission Expense	0	0
770	Bad Debt Expense	0	150,013
775	Miscellaneous Expense	91,099	53,889
403	Depreciation Expense	1,730,622	2,335,846
408	Taxes Other Than Income	910	0
408.10	Utility Regulatory Assessment	0	6,685
408.11	Property Taxes	81,161	175,485
408.13	Other Taxes & Licenses	0	1,029
409	Income Taxes	0	0
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 3,756,367</b>	<b>\$ 5,540,989</b>
	<b>OTHER INCOME/EXPENSE</b>		
414	Gain/(Loss) from Disposal of Utility Assets	\$ (14,925)	\$ (7,340)
419	Interest and Dividend Income	2,843	3,984
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ (12,082)</b>	<b>\$ (3,355)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 1,011,436</b>	<b>\$ 439,058</b>



**COMPANY NAME: Global Water - Palo Verde Utilities Company**

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

**COMPANY NAME: Global Water - Palo Verde Utilities Company**

**Name of System: Palo Verde Utilities Company**

**Wastewater Inventory Number (if applicable):**

**WASTEWATER COMPANY PLANT DESCRIPTION**  
**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	1 x 3.0 MGD SBR Tertiary Treatment Facility 1 x 0.3 MGD Facultative Lagoon (not in use) 1 x 3.0 MGD SBR Tertiary Treatment Facility- not yet operational
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	3.0 MGD Permitted Capacity = 9.0 MGD (per APP 105228)

**LIFT STATION FACILITIES**

<b>Location</b>	<b>Quantity of Pumps</b>	<b>Horsepower Per Pump</b>	<b>Capacity Per Pump (GPM)</b>	<b>Wet Well Capacity (gals)</b>
Rancho El Dorado L/S	3	20HP	1000	23,095
Reclaimed Water Delivery System	3	50HP	2100	93,223
Cobblestone Lift Station	2	18HP	950	8,900
McDavid L/S	2	70HP	650	8,900
Maricopa Groves L/S	2	40HP	750	15,600
Alterra L/S	2	15HP	800 (no head)	13,200
Tortosa L/S	2	5 HP	300 (no head)	10,300
PVWR Influent L/S	2	100 HP	5,000	263,000

**FORCE MAINS**

<b>Size</b>	<b>Material</b>	<b>Length (Feet)</b>
6-inch	PVC	1850
8-inch	PVC	520
10 inch	PVC	6,552
14-inch	PVC	2,406
Reclaimed Water Lines	8" C-900	5957
	10" C-900	6260
	12" C-900	130
	16" C-905	5320
	18" C-905	31890
	24" C-905	20536
	24" C-900	9770
	10" DIP	30
	16" DIP	710
	18" DIP	240
	24" DIP	2115

**MANHOLES**

Type	Quantity
Standard	1497
Drop	35
Discharge	1

**CLEANOUTS**

Quantity
48

***Note: If you are filing for more than one system, please provide separate sheets for each system.***



	2 x Conveyor for Grit/Trash
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	2 x Low Pressure High Intensity UV 2 x Chlorination System 2 x Dechlorination System
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	6 x 1.0 MGD sand filters (gravity, traveling bridge)
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	2 x Office/Lab/Storage - 1500 sq ft 2 x SBR Blower Building = 1400 sq ft 2 x Headworks Building = 2800 sq ft 2 x Blower/Solids Handling = 2400 sq ft 2 x Masonry Walls (Filtration + Odor Control) = 600 ft Chain Link Fence: Lagoon = 2450 ft, 2 x SBR = 800 ft
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Odor Scrubbers: 2 x Lift Station; 4 x SBR Systems 2 x Polymer Injection System 2 x 1500 kW D/G 2 x350kVAD/G 2 x80kVAD/G 2 x60kWD/G 2 x HACH Portable Water Test Kit (DR2000) 5 x ½ Ton Pick-up Truck

***Note: If you are filing for more than one system, please provide separate sheets for each system.***

**COMPANY NAME: Global Water - Palo Verde Utilities Company**

**Name of System:** **Wastewater Inventory Number (if applicable):**

### **WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
<b>January</b>	10,765	52,186,000	1,928,000
<b>February</b>	10,875	46,272,000	1,903,000
<b>March</b>	11,241	54,083,000	2,250,000
<b>April</b>	11,469	50,490,000	2,169,000
<b>May</b>	11,658	49,479,991	1,984,000
<b>June</b>	11,945	51,049,000	1,815,000
<b>July</b>	12,213	51,736,000	2,330,000
<b>August</b>	12,331	52,815,000	1,954,000
<b>September</b>	12,665	51,766,000	1,947,000
<b>October</b>	13,090	54,226,000	1,916,000
<b>November</b>	13,264	54,975,000	2,128,000
<b>December</b>	13,620	59,792,000	2,393,000

### **PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE PER WASTEWATER SYSTEM**

<b>Method of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Re- Use to Type 2 Reclaimed AzPDES
<b>Groundwater Permit Number</b>	
<b>ADEQ Aquifer Protection Permit Number</b>	APP 105228 APP 103558 APP 105668
<b>ADEQ Reuse Permit Number</b>	R103558 R105393 R105394 R105395 R105392 R105228 R105869 R105870 R105871 R105873
<b>EPA NPDES Permit Number</b>	AZ0025071

*Note: If you are filing for more than one system, please provide separate sheets for each system.*

COMPANY NAME: GLOBAL WATER - PALO VERDE UTILITIES COMPANY YEAR ENDING  
12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$281,974</u>
Estimated or Actual Federal Tax Liability	<u>\$89,386</u>

State Taxable Income Reported	<u>\$281,974</u>
Estimated or Actual State Tax Liability	<u>\$19,456</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	-0-
Amount of Gross-Up Tax Collected	-0-
Total Grossed-Up Contributions/Advances	-0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Cindy M Liles  
SIGNATURE

4-15-08  
DATE

Cindy M Liles  
PRINTED NAME

SVP - CFO  
TITLE

**COMPANY NAME: GLOBAL WATER - PALO VERDE UTILITIES COMPANY YEAR ENDING  
12/31/2007**

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: **\$131,056.02**

**Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.**

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

RECEIVED

APR 18 2008

CORP COMM  
Utilities

**VERIFICATION**

**STATE OF ARIZONA**

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)
<b>Maricopa County</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>Cindy Liles - CEO &amp; SVP- Growth Management</b>
COMPANY NAME
<b>Global Water - Palo Verde Utilities Company</b>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2007

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

*Cindy M Liles*

SIGNATURE OF OWNER OR OFFICIAL

*623-580-9600*

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

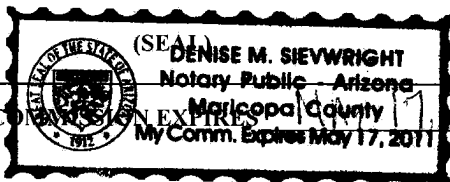
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

*15<sup>TH</sup>*

**DAY OF**

COUNTY NAME	<i>Maricopa</i>
MONTH	<i>April</i>
	<i>2008</i>



*Denise M Sievwright*

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION**

RECEIVED

APR 18 2008

2 CORP COMM  
Director Utilities

AND  
SWORN STATEMENT  
Intrastate Revenues Only

VERIFICATION  
STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)
<b>Maricopa County</b>
NAME (OWNER OR OFFICIAL) TITLE
<b>Cindy Liles- CFO &amp; SVP-Growth Management</b>
COMPANY NAME
<b>Global Water - Palo Verde Utilities Company</b>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)
<u>\$5,983,402.</u>

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ -0-  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

Cindy M Liles  
SIGNATURE OF OWNER OR OFFICIAL  
623 580 9600  
TELEPHONE NUMBER

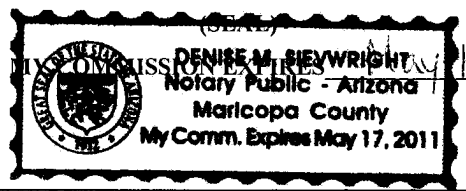
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 15<sup>TH</sup> DAY OF

COUNTY NAME	<u>MARICOPA</u>
MONTH	<u>APRIL</u> , 20 <u>08</u>

Denise M. Sievright  
SIGNATURE OF NOTARY PUBLIC



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

RECEIVED

APR 18 2008

ARIZONA CORP COMM  
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <b>Maricopa County</b>	
NAME (OWNER OR OFFICIAL) <b>Cindy Liles</b>	TITLE <b>CFO&amp;SVP Growth Management</b>
COMPANY NAME <b>Global Water - Palo Verde Utilities Company</b>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

**\$5,387,716**

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ -0-  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

X Cindy A Liles  
SIGNATURE OF OWNER OR OFFICIAL  
623 580 9600  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

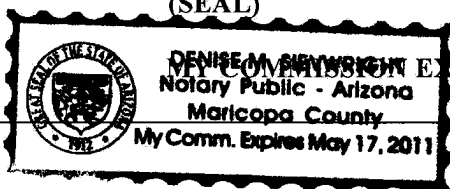
THIS

15TH

DAY OF

NOTARY PUBLIC NAME	<u>Denise M Sieveright</u>
COUNTY NAME	<u>MARICOPA</u>
MONTH	<u>APRIL</u>
	<u>2008</u>

(SEAL)



EXPIRES May 17, 2011

X Denise M Sieveright  
SIGNATURE OF NOTARY PUBLIC